



Health Services

LOS ANGELES COUNTY

November 9, 2015

**Los Angeles County
Board of Supervisors**

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Mark Ridley-Thomas
Second District

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Third District

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Deputy Director Strategy and Operations

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners*



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TO: Mayor Supervisor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Mitchell H. Katz, M.D.
Director

**SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH
SERVICES' USE OF DELEGATED AUTHORITY TO
AMEND AND EXTEND THE TERM OF THE MASTER
AGREEMENT WITH FIVE CONTRACTORS FOR
THE PROVISION OF OVERFLOW AND SPECIALTY
MEDICAL LABORATORY SERVICES**

This is to advise the Board that the Department of Health Services (DHS) exercised its delegated authority, approved on October 5, 2010 (attached), to initiate the extension options by executing Amendments with five (5) approved contractors to provide overflow and specialty medical laboratory services. The contractors are: Focus Diagnostics, Incorporated; Latara Enterprise, Incorporated DBA Foundation Laboratory; Myriad Genetic Laboratories, Incorporated; Pasteur, Incorporated DBA Sinai Medical Laboratories; and Quest Diagnostics, Incorporated.

The Amendments exercise the first one-year option through October 31, 2016 for the continued provision of overflow and specialty medical laboratory services.

County Counsel has reviewed the Amendments and approved them as to form.

If you have any questions or require additional information, please let me know.

MHK:rf
board letter lab services notification term extension

Attachment

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



Los Angeles County
Board of Supervisors

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Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

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To improve health
through leadership,
service and education



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October 05, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF MEDICAL LABORATORY SERVICES MASTER
AGREEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to execute Master Agreements with four vendors for overflow and specialty laboratory testing services to the Department of Health Services, Department of Public Health, and Department of Coroner.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services (Interim Director), or his designee, to execute a Master Agreement with each of the four vendors listed on Attachment I, for the provision of overflow and specialty medical laboratory services on behalf of the Department of Health Services (DHS), Department of Public Health (DPH), and Department of Coroner (DOC), effective November 1, 2010 through October 31, 2015, with provisions to extend the Agreement term for up to two additional one-year periods and six month-to-month extensions, at an estimated net County cost of \$8.896 million per year.

2. Delegate authority to the Interim Director, or his designee, to exercise the two additional one-year extension options, through October 31, 2017, and the six month-to-month extension options, through April 30, 2018, by executing amendments to the Master Agreement, subject to prior review and approval by County Counsel and the Chief Executive Office (CEO), with notice to your Board.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#21 OCTOBER 5, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

3. Delegate authority to the Interim Director, or his designee, to amend the Master Agreement to add or delete DHS, DPH, and DOC facilities, or add other Departments' facilities, subject to prior review and approval by County Counsel and the CEO, with notice to your Board.

4. Delegate authority to the Interim Director, or his designee, to execute Master Agreements with new qualified vendors, who have been identified and selected through a qualification process, during the entire term of the Master Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will enable the Interim Director to execute a new Master Agreement, substantially similar to Exhibit I, with the four vendors initially qualified through a DHS Request for Statement of Qualifications (RFSQ) process. The Master Agreement is for provision of overflow and specialty laboratory testing on an as-needed basis at DHS, DPH and DOC facilities. The current laboratory services agreements expire October 31, 2010.

Workload fluctuations exceed the County's capacity to perform these services. These contract medical laboratories will provide as-needed testing from patients receiving services at DHS and DPH facilities. In addition, it is necessary that the Coroner maintains access to contracted medical laboratory service providers to perform specimen tests that may not be performed under the Coroner's existing contracts.

Approval of the other three recommended actions will allow for the effective administration of the Master Agreements and ensure timely response to critical patient needs throughout the County.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Under the Master Agreement, the County will be able to select the appropriate contractor(s) to meet laboratory services needs as they arise. Expenditures under the Master Agreements will vary depending on the volume of services provided. Based on historical volume, the DHS, DOC, and DPH annual estimated costs are \$8.807 million, \$0.050 million, and \$0.039 million, respectively, for a total County estimated annual cost of \$8.896 million. Funding is included in each department's Fiscal Year 2010-11 Final Adopted Budget and will be requested in future fiscal years. Attachment II provides a breakdown of the DHS, DPH, and DOC facilities' estimated annual cost under the Agreements.

If other County Departments are added to this Master Agreement, each Department will ensure that their budgets can support and reflect their access to the Master Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 7, 2001, your Board approved a form Agreement, and authorized the Director of Health

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Services to execute such Agreement, effective through June 30, 2006, for the provision of overflow and specialty medical laboratory services, as a result of a Request for Proposals (RFP) released in October 2000. Subsequent amendments, also approved by your Board, have extended these Agreements through October 31, 2010.

County Counsel has approved Exhibit I as to use and form. The successor Master Agreement permits either party, County or Contractor, to terminate the Master Agreement upon giving the other party 10 days advance written notice. The existing Master Agreement permitted this termination option solely to the County. The successor Master Agreement includes all of the standard provisions mandated by your Board. Rates are standardized throughout all County facilities with implementation of this Master Agreement.

CONTRACTING PROCESS

On April 30, 2010, DHS released an RFSQ for as-needed medical laboratory services, posting it on the DHS Contracts and Grants website and the County's "Doing Business with Us" website. The initial Statement of Qualifications (SOQ) submission deadline was May 28, 2010, and six firms submitted SOQs by this deadline. Subsequent review and evaluation of the SOQs has resulted in four qualified firms. The RFSQ is open continuously for responses and SOQs will continue to be accepted and reviewed in accordance with the process. If qualified, additional firms will be offered the Master Agreement. Approval of a Master Agreement does not guarantee a contractor any minimum amount of work.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the continued provision of medical laboratory services on an as-needed basis to meet critical patient needs at DHS and DPH facilities and ensure that the DOC have access to medical laboratory service providers to perform specimen tests.

The Honorable Board of Supervisors
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Schunhoff". The signature is fluid and cursive, with the first name "John" written in a larger, more prominent script than the last name "Schunhoff".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:agl

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Department of Public Health
Department of Coroner

ATTACHMENT I

Approved Vendors for Medical Laboratory Services Master Agreement

- 1) Latara Enterprise Incorporated DBA Foundation Laboratory
- 2) Myriad Genetic Laboratories, Incorporated
- 3) Quest Diagnostics, Incorporated
- 4) Focus Diagnostics, Incorporated

ATTACHMENT II

**ESTIMATED ANNUAL COST
for Medical Laboratory Services Master Agreement**

Department of Health Services
Department of Coroner
Department of Public Health

FACILITY	ESTIMATED ANNUAL COST
LAC+USC Healthcare Network	\$ 4,301,000
MetroCare Network	\$ 3,837,500
Rancho Los Amigos National Rehabilitation Center	\$ 170,680
ValleyCare Network	\$ 470,000
Juvenile Court Health Services	\$ 28,000
Subtotal Department of Health Services Estimated Annual Cost	\$ 8,807,180
Subtotal Department of Coroner Estimated Annual Cost	\$ 50,000
Subtotal Department Of Public Health Estimated Annual Cost	\$ 39,000
Total County Estimated Annual Cost	\$ 8,896,180